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OFFICE OF THRIFT SUPERVISION

Order No. 95-128

Date: June 23, 1995

Trenton Savings Bank, FSB
Lawrenceville, New Jersey

Order Approving Mutual Holding Company Reorganization

Trenton Savings Bank, FSB, Lawrenceville, New Jersey (the "Savings Bank"), has filed notice (the "Notice") of its intent to reorganize into a mutual holding company to be known as Peoples Bancorp, M.H.C. (the "Mutual Holding Company"), pursuant to section 10(o) of the Home Owners' Loan Act ("HOLA"), 12 U.S.C. § 1467a(o), and 12 C.F.R. § 575.3.

The Notice requests that the Director of the Office of Thrift Supervision ("OTS"), or his designee, approve the reorganization of the Savings Bank into the Mutual Holding Company together with all the constituent elements of such reorganization.

The OTS has considered section 10(o) of the HOLA, and 12 C.F.R. § 575.4, and all other applicable statutes and regulations, and has determined that the proposed transaction would be in compliance with the standards and criteria therein, provided that the Savings Bank and its successor savings association, Trenton Savings Bank, FSB (the "New Savings Bank"), satisfy the conditions set forth below.

Accordingly, subject to the conditions set forth below, the OTS hereby approves the proposed reorganization of the Savings Bank, together with all the constituent elements of the reorganization but excluding any proposed issuance of stock to persons other than the Mutual Holding Company, which shall be the subject of a separate order.

OTS Approval of the Notice filed by the Savings Bank is subject to the following conditions:

1. The reorganization shall be consummated within 120 calendar days after the date of this order unless an extension of time is granted for good cause by the Northeast Regional Office;
2. On the business day prior to consummation of the reorganization:
 - (a) the Secretary of the Savings Bank shall certify to the Northeast Regional Office that the reorganization has been approved by the majority of the total votes eligible to be cast at the special meeting

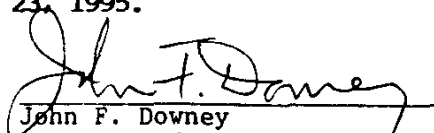
of members of the Savings Bank called to vote on the reorganization, and shall attach thereto certified excerpts from the minutes of the special meeting and (b) the Chief Executive Officer of the Savings Bank shall certify to the Northeast Regional Office that (i) no material adverse events or material adverse changes have occurred with respect to the financial condition or operations of the Savings Bank since the date of the financial statements submitted with the application; (ii) the Federal Deposit Insurance Corporation has approved the New Savings Bank's application for insurance of accounts and any conditions precedent to the effectiveness of such insurance have been or shall be met at or prior to consummation of the reorganization; and (iii) any other required regulatory approvals have been obtained. Copies of the regulatory approvals, including the approval of insurance of accounts, shall accompany this certification;

3. No later than 5 calendar days from the date of consummation of the reorganization, the Mutual Holding Company shall file with the Northeast Regional Office, a certification by legal counsel stating (a) the effective date of the reorganization; (b) the initial capitalization of the Mutual Holding Company; and (c) that the reorganization has been consummated in accordance with the provisions of all applicable laws and regulations, the Notice and this order;

4. Prior to consummation of the proposed transaction, the Mutual Holding Company shall have submitted to the Northeast Regional Office (i) either an Internal Revenue Service Ruling ("IRS") or (ii) an opinion of counsel with respect to the federal income taxation and an opinion of counsel with respect to New Jersey taxation to the effect that consummation of the reorganization will not result in a taxable reorganization under applicable codes or otherwise result in any adverse tax consequences, and submit copies to the Northeast Regional Director; and

5. The Mutual Holding Company shall submit a final legal opinion which addresses the following: (i) the legal sufficiency of the proposed certificates and order forms for the stock to be issued by the New Savings Bank; (ii) state law requirements applicable to the Stock Issuance Plan, including citations to applicable state law and a statement regarding whether such requirements will be fulfilled by the Stock Issuance Plan; and (iii) a statement whether the Stock Issuance Plan is consistent with the terms of the New Savings Bank's charter, including terms governing the type and amount of stock that may be issued.

By order of the Director of the Office of Thrift Supervision, or his designee, effective June 23, 1995.


John F. Downey
Director of Supervision